

SENATE RECORD VOTE ANALYSIS

104th Congress
2nd Session

Vote No. 300

September 24, 1996, 6:08 pm
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MARITIME SECURITY ACT/Passage

SUBJECT: Maritime Security Act . . . H.R. 1350. Passage.

ACTION: BILL PASSED, 88-10

SYNOPSIS: As passed, H.R. 1350, the Maritime Security Act, will establish the Maritime Security Fleet (MSF) Program as a replacement for the Operational Differential Subsidy (ODS) Program, which will be phased out. The new program will provide fixed annual payments to United States-flag ship owners or operators in return for their agreeing to make their ships (or suitable replacements) available for hire in times of national emergency or war. The program will be authorized at \$100 million per year for fiscal years 1996-2005 (the current ODS Program costs \$250 million per year). In the first year \$2.3 million will be paid to each of the 47 ships in the program, and \$2.1 million will be paid for each of the next 9 years, subject to appropriations. Additionally, the bill will remove certain construction and operating restrictions on United States-flag vessels in order to improve their competitiveness, and it will reform the vessel loan guarantee program.

Those favoring passage contended:

We are pleased to support final passage of H.R. 1350, the Maritime Security Act. The United States needs to have a domestic merchant shipping fleet that it can rely on during times of conflict. The current ODS Program guarantees the existence of such a fleet; this bill will replace that program with a new program that will provide the same guarantee at much less cost.

During the recent Persian Gulf War, the Defense Department had enough sealift capability to meet 80 percent of its needs. To haul the remaining 20 percent, it called on the merchant marine and on foreign-flag vessels. According to both the General Accounting Office and the Department of Defense, the average cost of shipping on foreign-flag vessels during that war was \$174 per ton. The average cost for U.S.-flag ships was \$122 per ton. Our colleagues have noted that in some instances foreign-flag vessels were available for lower prices. They have not noted, though, that at the most dangerous times, when the need for vessels was greatest, foreign-flag vessels started price gouging. Neither have they noted that some of the crews of the foreign-flag vessels deserted

(See other side)

YEAS (88)				NAYS (10)		NOT VOTING (2)	
Republican (42 or 81%)		Democrats (46 or 100%)		Republicans (10 or 19%)	Democrats (0 or 0%)	Republicans (1)	Democrats (1)
Abraham	Helms	Akaka	Johnston	Burns		Campbell- ³	Heflin- ²
Ashcroft	Hutchison	Baucus	Kennedy	Coats			
Bennett	Inhofe	Biden	Kerrey	Grams			
Bond	Jeffords	Bingaman	Kerry	Grassley			
Brown	Kassebaum	Boxer	Kohl	Kyl			
Chafee	Kempthorne	Bradley	Lautenberg	Lugar			
Cochran	Lott	Breaux	Leahy	Nickles			
Cohen	Mack	Bryan	Levin	Roth			
Coverdell	McCain	Bumpers	Lieberman	Thomas			
Craig	McConnell	Byrd	Mikulski	Thompson			
D'Amato	Murkowski	Conrad	Moseley-Braun				
DeWine	Pressler	Daschle	Moynihan				
Domenici	Santorum	Dodd	Murray				
Faircloth	Shelby	Dorgan	Nunn				
Frahm	Simpson	Exon	Pell				
Frist	Smith	Feingold	Pryor				
Gorton	Snowe	Feinstein	Reid				
Gramm	Specter	Ford	Robb				
Gregg	Stevens	Glenn	Rockefeller				
Hatch	Thurmond	Graham	Sarbanes				
Hatfield	Warner	Harkin	Simon				
		Hollings	Wellstone				
		Inouye	Wyden				

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

rather than sailing into a war zone. Further, our colleagues need to remember that during the Persian Gulf War the United States had enlisted as allies nearly the entire world. In future conflicts world opinion may not rest so universally with the United States, and foreign-flag vessels consequently may not be available.

We commend those Senators who joined with us in defeating the amendments that were offered to this bill. Those votes were difficult to cast, because several large taxpayer groups have already announced that they are going to rate them as votes that wasted the taxpayers' money. Those groups are wrong, and we are glad that our colleagues had the courage to stand up to them. Protecting the Nation's national security interests by preserving domestic merchant sealift capabilities for less than half of the current cost of doing so is not a waste of public funds. We strongly favor passage of this bill.

Those opposing passage contended:

The ODS Program should not be phased out and replaced with a new program; instead, it should be eliminated immediately and not replaced. This program ostensibly exists to guarantee a domestic merchant marine fleet so that the United States will not have to rely on supposedly unreliable foreign-flag ships during times of war. We do not fault our colleagues for wanting to guarantee that the United States has sufficient sealift capabilities--we share that desire. However, the ODS Program does not help in any way to guarantee such capabilities. Instead, all it does is give corporate and union welfare to a few lucky ship owners and their crews. The MSF Program will be no different.

During the Persian Gulf War, American-flag merchant ships carried only 8 percent of the cargo. In many cases, they did not carry it into the war zone. They carried it to nearby ports, and then hired foreign ships to bring it the rest of the way. Additionally, some of the ships that had received ODS support for years hired cheaper foreign replacement vessels to fulfill their commitment to haul cargo. Further, some of those ships charged very high rates--we know that U.S. News and World Report wrote about one case in which an American ship in the Gulf charged \$70,000 when a foreign-flag vessel was available for \$6,000.

The basic contention of our colleagues is that we need to have domestic shipping because of the patriotism of the ships' owners and their American crews. However, our colleagues are overlooking several facts. First, most American merchant ships are not in the program. If all that is needed is patriotism, then we can call on those ships as well as on the ships whose owners we are paying \$2 million per year to be patriotic. Second, if all that is needed is patriotism, then we can call on the American owners of foreign-flag vessels (Americans own a large percentage of foreign-flag vessels) to make those ships available in times of war. Third, if American crews are so necessary, then we can establish a reserve of American mariners from the Great Lakes region alone sufficient to man merchant ships during a war. We do not need to pay \$2 million per year just for the right to hire one of these ships when needed.

The Vice President's National Performance Review recommended getting rid of all U.S.-flag subsidies. The Defense Department said that at most it needed to have 20 U.S.-flag merchant ships available for hire. Fifteen out of sixteen Clinton executive branch agencies agreed with the Defense Department. This bill, though, will pay 47 ships \$2 million per year just for being on call.

Interestingly, these same Clinton Administration officials at these 15 agencies concluded that the reason American shipping is so expensive is because of the higher wages paid to U.S. mariners and because of the excessive number of mariners employed by these ships. The ships pay those costs, and keep those high employment levels, because the mariners' union demands it and the Federal Government pays for it. That union is extremely active, and has a lot of support in Congress.

We urge our colleagues to resist this politically powerful union. American taxpayers should not have to pay for this corporate and union welfare that serves no real national security need. We urge our colleagues to reject this bill.